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RETIREMENT PLANS THAT "CLEARLY" WORK FOR YOU.

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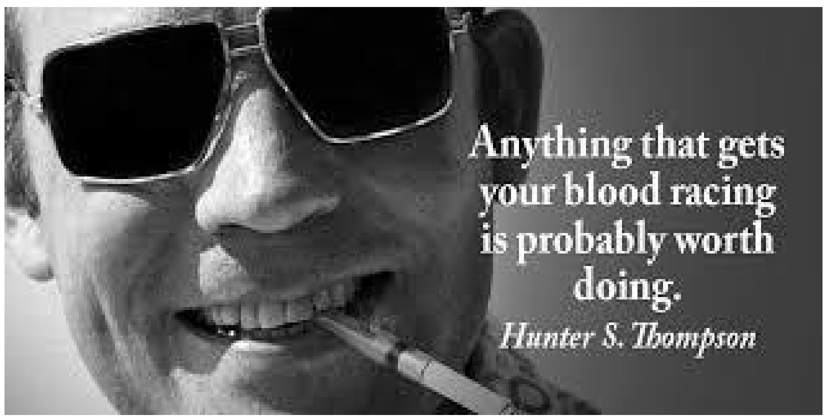
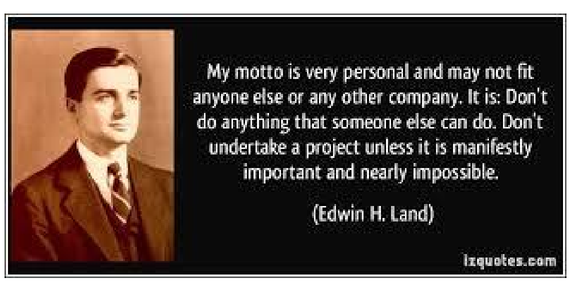
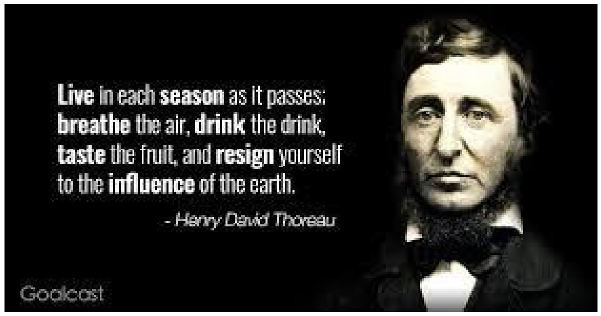


"ANYTHING WORTH DOING IS WORTH DOING IN EXCESS"- Edwin Land



Edwin Herbert Land was an American scientist and inventor and he is best known for being one of the co-founders of the Polaroid Corporation. He was responsible for many photography-related inventions such as inexpensive filters that polarized light, his retinex theory for color vision, and his practical system

for in-camera instant photos.
His Polaroid instant camera, which went on sale in late 1948, made it possible for a picture to be taken and developed in just 60 seconds or even less.



I have often used the motto **"Anything Worth Doing In Moderation, Is Worth Doing In Excess,"** which can certainly get one in trouble on multiple levels. Moderation seems to be the ticket to keeping your mind and body on a steady keel. Overworked muscles and joints lead to a host of potential crippling injuries with many being chronic. A stressed-out mind from too many hours on the job, with little sleep, is a recipe for emotional burnout and ultimate mental collapse leading to depression, suicide, psychosomatic illnesses and actual physical impairment. As with the Industrial Revolution, we hear the cry for a simpler, less reliance on technology, rejection of material things life. The Amish way of life comes to mind, though they have their own trials and tribulations. The "Back to Nature" movement of the 1960's seems to be gathering steam once again. I suspect as we stare into another possible recessionary period, the **"Less Is More**" minimalist concept will most likely attract a multitude of adherents.
Minimalism
The desire for a slower lifestyle, without the constant demands of the 4th Industrial Revolution, brings to mind Henry David Thoreau"s poem " Walden"
4th
Walden

WALDEN

True, our converse a stranger is to speech;
Only the practiced ear can catch the surging words
That break and die upon thy pebbled lips.
Thy flow of thought is noiseless as the lapse of thy own waters,
Wafted as is the morning mist up from thy surface,
So that the passive Soul doth breathe it in,
And is infected with the truth thou wouldst express.

E'en the remotest stars have come in troops
And stooped low to catch the benediction
Of thy countenance. Oft as the day came round,
Impartial has the sun exhibited himself
Before thy narrow skylight; nor has the moon
For cycles failed to roll this way
As oft as elsewhither, and tell thee of the night.
No cloud so rare but hitherward it stalked,
And in thy face looked doubly beautiful.
O! tell me what the winds have writ for the last thousand years
On the blue vault that spans thy flood,
Or sun transferred and delicately reprinted
For thy own private reading. Somewhat
Within these latter days I've read,
But surely there was much that would have thrilled the Soul,
Which human eye saw not.
I would give much to read that first bright page,
Wet from a virgin press, when Eurus, Boreas,
And the host of airy quill-drivers
First dipped their pens in mist.

While we strive to enjoy "the wonders of nature,"Sugar Magnolia I thought a smooth transition, into the world of retirement plan investment options, would be to look a bit at the world of ESG investing.
ESG stands for Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company. Most socially responsible investors check companies out using ESG criteria to screen investments.

As someone who **"knows and loathes"** Wall Street, you have to have a healthy dose of skepticism about their intentions to provide products that follow the ESG formula. Though I admit, that many of my retirement plans investment lineups contain ESG mutual funds. I know that the Millennials/Gen Z are "tuned in" to corporate malfeasance, toxic products, and poor stewardship of the environment (and with it oozing from every corner of Corporate America and beyond, why shouldn't they?). These investors want their investable money to have an "impact."

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors' strategic goals.

The growing impact investment market provides capital to address the world's most pressing challenges in sectors such as sustainable agriculture, renewable energy, conservation, microfinance, and affordable and accessible basic services including housing, healthcare, and education. Impact

Though generally carrying higher expense ratios (with the exception of index funds), I have witnessed excellent performance by various ESG mutual funds and less than impressive by others.

There are passive and actively managed ESG offerings available to the investing public. Some members of the investment community see ESG as a **"Scam or Hoax."** On the opposite end, the ESG sector may well have an influence on corporate governance through the power of the "pocketbook." Tree-Hugger or not, if one is willing to forego a possible lesser return on their investment in support of the loftier ideals of the ESG concept; so be it. Who am I to legislate an investor's morality? I did a bit of research on the actual investment performance of ESG funds and I came across this thorough analysis from the Harvard Business Review. Always one to give both sides of a contentious investing sector, I urge you to also read this GreenBiz article (www.greenbiz.com) Joke. Hoax

Summary. Investing in sustainable funds that prioritize ESG goals is supposed to help improve the environmental and social sustainability of business practices. Unfortunately, close analysis suggests that it's not only not making much difference to companies' actual ESG...more

As of December 2021, assets under management at global exchange-traded "sustainable" funds that publicly set environmental, social, and governance (ESG) investment objectives amounted to more than $2.7 trillion; 81% were in European based funds, and 13% in U.S. based funds. In the fourth quarter of 2021 alone, $143 billion in new capital flowed into these ESG funds.

How have investors fared? Not that well, it seems.

To begin with, ESG funds certainly perform poorly in financial terms. In a recent Journal of Finance paper, University of Chicago researchers analyzed the Morningstar sustainability ratings of more than 20,000 mutual funds representing over $8 trillion of investor savings. Although the highest rated funds in terms of sustainability certainly attracted more capital than the lowest rated funds, none of the high sustainability funds outperformed any of the lowest rated funds.

That result might be expected, and it is possible that investors would be happy to sacrifice financial returns in exchange for better ESG performance. Unfortunately ESG funds don't seem to deliver better ESG performance either.

Researchers at Columbia University and London School of Economics compared the ESG record of U.S. companies in 147 ESG fund portfolios and that of U.S. companies in 2,428 non-ESG portfolios. They found that the companies in the ESG portfolios had worse compliance record for both labor and environmental rules. They also found that companies added to ESG portfolios did not subsequently improve compliance with labor or environmental regulations.

This is not an isolated finding. A recent European Corporate Governance Institute paper compared the ESG scores of companies invested in by 684 U.S. institutional investors that signed the United Nation's Principles of Responsible Investment (PRI) and 6,481 institutional investors that did not sign the PRI during 2013–2017. They did not detect any improvement in the ESG scores of companies held by PRI signatory funds subsequent to their signing . Furthermore, the financial returns were lower and the risk higher for the PRI signatories.

Why are ESG funds doing so badly? Part of the explanation may simply be that an express focus on ESG is redundant: in competitive labor markets and product markets, corporate managers trying to maximize long-term shareholder value should of their own accord pay attention to employee, customer, community, and environmental interests. On this basis, setting ESG targets may actually distort decision making.

There's also some evidence that companies publicly embrace ESG as a cover for poor business performance. A recent paper by Ryan Flugum of the University of Northern Iowa and Matthew Souther of the University of South Carolina reported that when managers underperformed the earnings expectations (set by analysts following their company), they often publicly talked about their focus on ESG. But when they exceeded earnings expectations, they made few, if any, public statements related to ESG. Hence, sustainable fund managers who direct their investments to companies publicly embracing ESG principles may be over-investing in financially underperforming companies.

The conclusion to be drawn from this evidence seems pretty clear: funds investing in companies that publicly embrace ESG sacrifice financial returns without gaining much, if anything, in terms of actually furthering ESG interests.

ESG Funds Performance

Past performance is no guarantee of future performance. Market conditions change over time and this change can affect performance negatively or positively.
Investing involves the risk of loss, including loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable for a client's investment portfolio.

We, at The Prizant Group, **DO NOT** take our ERISA 3(210/3(38) Fiduciary responsibility lightly. However, to automatically exclude ESG options is no more acceptable than loading up on such selections. "Moderation" is the key in retirement plan investment selection. Though retirement plan sponsors may scoff at the notion of ESG, they **MUST** be aware of the changing social and investment attitudes of the younger (and sometimes older) workers. Overall, our duty is not to sacrifice performance to satisfy a minority of our participants, but we can absolutely provide the means for their investment parameters without sacrificing our inherent duties or that of the plan trustees.

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